

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:	:	
	:	Chapter 11
DELPHI CORPORATION, <i>et al.</i> ,	:	Case No. 05-44481 (RDD)
	:	
Debtors.	:	(Jointly Administered)
	:	
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**DECLARATION OF HOWARD BROD BROWNSTEIN**

I, Howard Brod Brownstein, certify that, to the best of my personal knowledge, information and belief, the following facts are true and correct. I could and would testify competently to them under oath if called before this Court as a witness.

1. I am a Principal at NachmanHaysBrownstein, Inc. (“NHB”), a management consulting firm that specializes in turnaround and crisis management, and bankruptcy services. NHB’s principal place of business is located at 822 Montgomery Ave., S.204, Narberth, PA 19072.

2. NHB has been retained by the TAI Unsecured Creditors Liquidating Trust (the “Trust”) to serve as an expert with respect to the avoidance actions being pursued by the Trust.

3. I submit this declaration in support of the Supplemental Response of the Trust to Debtors’ Twentieth Omnibus Objection (the “Supplemental Response”). Capitalized terms not otherwise defined in this affidavit shall have the meanings ascribed to them in the Supplemental Response and the Amended Statement of Disputed Issues.

4. Except as otherwise indicated, all facts set forth in this declaration are based upon my personal knowledge, my review of relevant documents, my opinion, and my experience with

and knowledge of the basis for the claims asserted by the Trust. If I were called to testify, I could and would testify to the facts set forth herein.

5. My educational and work experience is set forth in detail in my C.V., which is attached hereto as Exhibit A. As set forth in the attached Exhibit A, I hold J.D. and M.B.A. degrees from Harvard University, a B.S. from the Wharton School of the University of Pennsylvania, and a B.A. from its College of Liberal Arts. I have been employed by NHB since 1999, and have been a turnaround professional since 1991. I hold the Certified Turnaround Professional credential, which requires, *inter alia*, passage of a rigorous examination, over five years of experience as a turnaround professional, maintenance of 125 hours of continuing education every five years, and adherence to a Code of Ethics. I have authored over thirty articles, as well as a chapter in a textbook on turnaround management that is used in many business schools. I serve on the Boards and/or Executive and Audit Committees of the American Bankruptcy Institute (“ABI”) and the Turnaround Management Association (“TMA”), and am a frequent speaker at programs sponsored by ABI, TMA and the American Bar Association, as well as at Harvard Business School, Villanova Law School and other universities. I was awarded TMA’s “Outstanding Individual Contribution” to the profession in 2007.

6. NHB is one of the country’s leading turnaround and crisis management firms, having been included among the ten or so “Outstanding Turnaround Firms” in the professional publication *Turnarounds & Workouts* for the past thirteen consecutive years. About one-third to one-half of NHB’s casework involves bankruptcy, *e.g.*, as Chief Restructuring Officer, Financial Advisor to Debtors, Financial Advisor to Creditors Committees, Examiner, Financial Advisor to Trustees, Plan Administrator, and Liquidating Trustee. As such, NHB’s casework frequently involves the issues of avoidances such as potentially preferential payments to vendors, such as in

this case, and the calculation thereof. NHB professionals have provided service to clients in nearly every industry, including the automotive industry.

7. In my capacity as a Principal at NHB, I am responsible for leading turnaround assignments for NHB's clients, and have principal responsibility for the firm's transactional activities and for the marketing of its services to clients. I have led client assignments in many industries, advising senior management or fulfilling a senior management role. I have extensive bankruptcy and non-bankruptcy experience in the field of corporate renewal, and have served as Financial Advisor to Debtors, Creditors and Secured Lenders, as well as serving as Interim CEO, CFO and CRO. I lead NHB's engagement as Plan Administrator in *Montgomery Ward*, the largest retail liquidation in history, which has involved a very large number of creditors, and in particular, avoidance cases. I also have extensive Board experience, including chairing the audit committee of a \$1 billion company.

8. In my work on behalf of the Trust, I am generally familiar with the following documents:

- (i) the Amended Tower Claim asserted against the above-captioned Debtors;
- (ii) the Debtors' Twentieth Omnibus Objection;
- (iii) the Debtors' Amended Statement of Disputed Issues, including the attachments thereto; and
- (iv) the Supplemental Response, including the attachments thereto.

9. In my work with NHB, I have become familiar with the Bankruptcy Code, and specifically with sections 547 and 548 of the Bankruptcy Code which pertain to the recovery of preferential and fraudulent transfers, respectively.

10. The Debtors set forth a new value and ordinary course of business analysis in their Amended Statement of Disputed Issues. I reviewed the Debtors' Amended Statement of Disputed Issues as well as the attached Exhibits A, B, and C.

11. I am unable to comment about the veracity of Exhibit A to the Statement of Disputed Issues, as the Debtors did not provide the historical data upon which they relied in creating this graph. However, the method they purport to employ, comparing transactions between the parties during the 90 days before a bankruptcy, commonly known as the preference period, with the historical transactions between the parties, is a standard method utilized to assess the merits of an ordinary course of business defense.

12. The invoice amounts during the preference period that are presented in Debtors' Exhibits B and C do not appear to exactly match the preference period invoice amounts with which I was provided by the Trust, which appear in Exhibit E to the Supplemental Response. It is my understanding that the data I reviewed came from Tower. I will be able to further comment on whether the Trust, the Debtors, or neither are correct with regard to preference period invoice amounts, after discovery.

13. I have reviewed Exhibit E attached to the Supplemental Response and conferred with ASK Financial, co-counsel to the Trust, who created the Exhibit. I find that the methods and analyses used by ASK Financial are sound. As noted above, I lead NHB's engagement as Plan Administrator in *Montgomery Ward*, in which ASK Financial serves as Special Counsel to the Plan Committee which also employs NHB, and I have worked closely with ASK Financial in that case and am very familiar with the firm's methods and analyses. I find that it utilized very similar methods in this case

14. If necessary, after discovery has been completed, I may provide a rebuttal expert declaration in connection with the Trust's amended Supplemental Response with regard to whether the Debtors have met their burden of proof in establishing either the new value or ordinary courses defenses they have asserted pursuant to Bankruptcy Code sections 547(c)(4)

and 547(c)(2), respectively. I may also provide, if necessary, an expert declaration with regard to Tower's satisfaction of the elements of claims arising out of Bankruptcy Code sections 547 and 548.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: November 28, 2007



Howard Brod Brownstein  
Principal  
NachmanHaysBrownstein, Inc.

EXHIBIT A

**HOWARD BROD BROWNSTEIN, CTP**

**EMPLOYMENT PROFILE**

***NachmanHaysBrownstein, Inc., Narberth, PA***

**Principal, 1999-present**

- Nationally-known corporate renewal professional serving middle market companies, lenders and creditors
- Name Principal in leading turnaround and crisis management firm, listed among “Outstanding Turnaround Firms” in *Turnarounds & Workouts* for thirteen consecutive years
- Responsible for firm’s strategic development, marketing of professional services, and transactional practice
- Plan Administrator in *Montgomery Ward*, the largest retail liquidation in U.S. history
- Trebled case volume during period when offices were established in Atlanta, Wilmington, NYC and Boston
- Certified Turnaround Professional (one of approximately 400 in U.S.)

***Executive Sounding Board Associates, Inc., Philadelphia, PA***

**Managing Director and Shareholder, 1995-1999**

- Responsible for business development and marketing
- Led client engagements for middle market companies

***Phoenix Management Services, Inc., Chadds Ford, PA***

**Executive Vice President, Phoenix Management Services, Inc. 1991-1992, 1994-1995**

**President, Phoenix Capital Resources, Inc.**

- Responsible for business development and marketing
- Led client engagements for middle market companies

***Enprotech Corporation, subsidiary of ITOCHU Corporation, New York***

**Managing Director, 1992-1994**

- Managing Director of holding company for nontrading businesses (some in turnaround mode) in world’s largest trading company
- Interim CEO of Stone Group, manufacturer of HVAC systems for intercity rail and municipal transit networks
- Board member and interim officer of holding company subsidiaries

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***Concord West, subsidiary of Concord Steel Corporation, and predecessors, Haverford, PA***  
**President, 1977-1991**

- CEO of privately-held steel distribution and trading firm (sales \$20 million approx.), with offices and operations in Philadelphia, Buffalo, Houston, Pittsburgh and Birmingham
- Company founded as Peregrine Metals Group from assets purchased in 1986 from family-owned Delaware Steel Company, then sold to Concord Steel Corp. in 1989
- Focused on distribution and fabrication of secondary quality and excess steel inventories, sourced from steel mills throughout the U.S. and abroad
- Steel Trade Advisor to U.S. Trade Representative, including U.N.-sponsored study tours to steel facilities in Japan, Russia, Brazil and Benelux

***Boston Consulting Group, Boston, MA***  
**Consultant, 1975-77**

- Corporate strategy specialist in leading international consulting firm, case engagements in U.S. and Mexico
- Clients included: Gulf Oil, Great Northern Nekoosa, Harley Davidson, Grupo Industrial Alfa and Coke/NY

**DIRECTORSHIPS**

***National Philanthropic Trust, Jenkintown, PA, 2007 - present***

**Board member and Finance Committee**

- Third-largest national donor advised fund in the United States, recognized leader in the field of philanthropy
- Among the fastest-growing charities in the United States, and among the 35 largest grant-making institutions nationally
- Since inception in 1996, organization has raised over \$1.1 billion for charitable purposes, and made more than 22,000 grants totaling \$630 million to charities nationally and internationally

***Magnatrx Corporation, Atlanta, GA, 2003 - 2006***

**Board member and Audit Committee**

- Leading manufacturer (sales \$500 million approx.) of pre-engineered steel buildings, with operations throughout the United States, and affiliates abroad
- Privately-held company emerged from Ch.11 in 2003 with prepetition lenders owning the equity
- CEO Search Committee prior to emergence from bankruptcy
- Board and management rebuilt enterprise value, company acquired in 2007 by Nucor Corporation (NYSE: NUE) at substantial gain for shareholders

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***Special Metals Corporation, Huntington, WV, 2003 - 2006***

**Board member and Audit Committee Chair**

- One of world's few basic metals producers (sales \$1 billion approx.) of nickel alloys, with operations in the U.S., U.K. and Asia
- Privately-held company emerged from Ch.11 in 2003 with prepetition lenders owning the equity
- Board and management rebuilt enterprise value, company acquired in 2006 by Precision Castparts Corp. (NYSE: PCP) at substantial gain for shareholders
- Led efforts to adopt Sarbanes-Oxley requirements voluntarily, designated as "financial expert" for Sarbanes-Oxley purposes in event of IPO

***Royal Bank America, Narberth, PA, 1981 – 1986***

**Board member and Executive Committee**

- Regional bank with five branches, assets under \$20 million, now over \$1.3 billion

***Harvard Cooperative Society, Cambridge, MA, 1972 – 1975***

**Board member and Audit Committee**

- Retail department store and college bookstore with five branches, sales \$30 million approx.

**EDUCATION**

**Harvard University, Cambridge, MA, 1971 - 1975**

Juris Doctor & Masters in Business Administration (combined four-year JD/MBA program)

**University of Pennsylvania, Philadelphia, PA, 1968 - 1971**

Bachelor of Science in Economics (Wharton) and Bachelor of Arts, both *cum laude*

Fulfilled majors in Finance, Statistics and History, graduated in three years

**PROFESSIONAL AFFILIATIONS**

- Turnaround Management Association
  - International Board of Directors
  - Executive Committee
  - Audit Committee chair
- Association of Certified Turnaround Professionals
  - Vice President – International
  - Board of Directors
- American Bankruptcy Institute
  - Board of Directors, - Co-Chair, Mid Atlantic Advisory Board
- American Bar Association
- Association for Corporate Growth
- Admitted to practice law in PA, FL and MA (CLE's active in PA only, have never actively practiced law)



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### **PUBLICATIONS & SPEAKING ENGAGEMENTS**

- Author of “Turnaround Management: The Past as Prologue”, in Harlan D. & Marjorie B. Platt (eds.), *A Casebook on Corporate Renewal*, University of Michigan Press, 2004
- Author of over 30 articles in publications including *The Philadelphia Inquirer*, *The Journal of Corporate Renewal*, *abfJournal*, *Buyouts*, *Daily Bankruptcy Review*, and *The CPA Journal*
- Contributing editor of *abfJournal*
- Regular guest lecturer at Harvard Business School, Northeastern University School of Business, and Villanova Law School
- Frequent speaker at programs Turnaround Management Association, American Bankruptcy Institute, American Bar Association

### **AWARDS & HONORS**

- Winner of 2007 “Outstanding Individual Contribution” award from Turnaround Management Association
- Listed among “People to Watch in 2007” in *Turnarounds & Workouts*
- Named to Beta Gamma Sigma National Honor Society by Villanova University

### **COMMUNITY & PERSONAL**

- Former President & Chair, Jewish Employment & Vocational Services (a United Way agency), and Boards of other community organizations
- Harvard Business School and Law School Clubs of Philadelphia
- Pyramid Club of Philadelphia
- U.S. Air Force Reserve Officer, Medical Service Corps, 1971-78
- Reasonably fluent in Spanish, some French and Japanese